

Ewart S Williams: National Financial Literacy Programme in Trinidad

Remarks by Mr Ewart S Williams, Governor of the Central Bank of Trinidad and Tobago, at the "Signing Ceremony for Primary Schools Financial Literacy Intervention", Port-of-Spain, 4 May 2007.

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I am delighted to participate in this ceremony launching our financial education programme in primary schools. I am very pleased to welcome to the Bank, you bright **young ladies and gentlemen** as well as you principals and teachers.

But kids, this phase of the programme is about you and about helping you understand and learn more about money and about managing money wisely.

Let me use this illustration.

If you save \$2.00 a week out of your allowance, consider how much you will have in say, three years – yes, over \$300! You can use this money to buy something that you really want. Even if you cannot pay for the entire thing, you can show Mummy or Daddy that you are responsible and that you have made the sacrifice by saving for what you want. Apart from the pride that you should feel for the achievement of saving and contributing towards something important to you, I can guarantee you that this kind of attitude will result in parents being more willing to meet you halfway when you really want something.

The context of the National Financial Literacy Programme is that individuals at all levels are being called upon to make complex financial decisions about money and finance, and in too many cases, they lack the knowledge to make informed decisions. The problem is particularly acute with young people who are being targeted by advertisements to spend and borrow at the time when they can least afford to.

The Financial Literacy Programme targets people at all levels. We feel though that it is critical to start in the schools so that our youth could emerge into the workplace more financially-literate and more confident about making financial decisions.

You kids learn and pick up good (and sometimes bad) habits much faster than older people do. The most glaring example is in technology where you master computer games and computer know-how considerably faster than your parents.

We believe, therefore, that introducing financial literacy in schools will not only help you to make better financial decisions for yourselves now and as you grow older. We also believe that as you become more financially aware, your parents would need to become more financially adept in order to keep in step.

If I can focus on the kids a bit ... you young ladies and gentlemen need to start from now to understand about:

- saving some of your allowance rather than spending it all;
- making a budget and planning ahead for something you want to buy;
- getting your parents to open bank and credit union accounts for you;
- understanding that interest accumulates and the money grows;
- life is about choices – (very often it is about the video game or the pair of sneakers but not both); and
- you need to understand clearly that borrowing has a cost and that too much borrowing could lead to problems.

For you, teachers and principals, I have seen the programme and I promise you that it is designed to teach the kids good habits about spending, saving and other money matters in an exciting, creative and interactive way.

The sessions will be facilitated by the Junior Achievement Body of Trinidad & Tobago (JA) and The Consulting Interface Limited (TCIL), organizations with very good track records in both the primary and secondary schools in Trinidad and Tobago.

In the first phase of implementation, JA and TCIL will present their material to a total of 96 primary schools with an estimated 5,000 Standard 2 students from the eight educational districts of Trinidad and Tobago. This phase is considered a pilot and will run for the current school term. At the end of this phase, the programme will be evaluated and changes made as necessary to enhance its effectiveness. It will then be rolled out to other primary schools. It is our hope that over time, the programme will form part of the school curriculum of all primary schools in the country. Similar programmes are being planned for secondary and tertiary level students as well in the medium term.

The financing for the programme will come primarily from the Central Bank and subventions from the Government. However, because of its national dimension and to make the programme all-inclusive, we plan to ask the financial firms and other private corporations to collaborate with us in this worthwhile initiative.

Let me take this opportunity to thank you the principals, teachers, students present today for your implicit support of the programme. You are pioneers in an exciting journey directed towards improving the financial capability of the nation.

Let me also thank Senator the Honourable Hazel Manning and the Ministry of Education for enthusiastically approving this initiative.

I would also like to recognize the commitment and hard work of the Management Committee of the Financial Literacy Programme whose unstinting volunteer efforts are contributing to make all this possible.

Kids, as I said earlier, we in the Bank are excited about this programme. We hope that we can get you even more excited and that you can spread this excitement to your friends and parents.

If this happens, we are confident that these efforts will redound to the benefit of the population as a whole.